

The Government's Role in Aiding Small Business Federal Subcontracting Programs in the U. S.

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Administration
DOE June, 2014



U.S. Department of Energy — 13th Annual Small Business Forum & Expo
June 10-12, 2014 - Tampa, FL

What is the Office of Advocacy?

- **Independent office within the U.S. Small Business Administration**
 - Enforcing the Regulatory Flexibility Act
 - Researching the importance of small businesses to the U.S. economy and issues that are vital to their interests

Importance of Small Business

1. Represent 99.7 percent of all employer firms
2. Employ half of all private sector employees
3. Produce 13 to 14 times more patents per employee than large patenting firms
4. Made up 97 percent of all identified exporters and produced 28.6 percent of the known export value in FY 2004.

Reporting of Subcontract Awards

- Public law 95-507 required large prime contractors to report awards through the 295 and 297 paper process.
- In the early 2000 time frame the paper reporting was converted to an electronic system but with the same elements as the paper process,
- Federal Funding Accountability and Transparency Act of 2006 required OMB to create a single searchable website for federal awards.
USAspending.gov is the single website

Congressional Small Business Subcontracting Mandate

- **SDBs**
- **Women-owned businesses**
- **Service Disabled Veterans**
- **Small Businesses**

Subcontracting Plan

- **Goals**
- **Plan Administrator**
- **Efforts to Ensure Equitable Opportunities**
- **Flow-Down Requirements**

Subcontracting Goals

- **Federal Prime and Subcontracting Goals**
- **H.R.4093 -- Greater Opportunities for Small Business Act of 2014 (Introduced in House - IH) by Chairman Graves**
- **Goals in Subcontracting Plans- Section 8(d)(6)(A) of the Small Business Act (15 U.S.C. 637(d)(6)(A)) is amended by inserting after 'percentage goals' the following: 'of not less than 40 percent'.**

Federal Subcontracting, 1985- 2014

Fiscal Year	Total Subcontracts	Small Business		Small Disadvantaged Business		Women-Owned Small Business	
		Dollars	Percent	Dollars	Percent	Dollars	Percent
1985	63.8	24.0	37.6	1.4	2.2	n.a.	n.a.
1986	61.9	24.3	39.3	1.5	2.4	n.a.	n.a.
1987	63.3	25.9	41.0	1.5	2.4	n.a.	n.a.
1988	69.9	27.0	38.7	1.7	2.4	n.a.	n.a.
1989	70.0	27.2	38.9	2.0	2.9	n.a.	n.a.
1990	68.8	27.3	39.6	2.4	3.6	n.a.	n.a.
1991	67.8	23.3	34.3	2.2	3.2	1.0	1.4
1992	58.7	22.3	38.1	2.5	4.3	1.1	1.8
1993	55.8	20.8	37.3	2.8	4.9	1.4	2.4
1994	57.5	22.0	38.3	3.2	5.5	1.5	2.5
1995	56.9	23.8	41.9	3.8	6.6	1.7	3.0
1996	61.2	25.3	41.4	4.1	6.7	2.1	3.5
1997	71.5	29.4	41.1	4.5	6.3	2.9	4.1
1998	67.8	27.4	40.4	4.2	6.2	3.1	4.6
1999	69.0	27.9	40.4	4.5	6.5	3.0	4.3
2000	77.0	30.6	39.7	5.2	6.7	3.6	4.7
2001	91.1	35.5	39.0	5.4	5.9	4.1	4.5
2002	98.0	34.4	35.1	5.5	5.6	4.7	4.8
2003	119.1	45.5	38.2	6.4	5.4	6.0	5.0

Subcontracting Numbers

- 2010 \$74, billion
- 2011 \$73, billion
- 2012 \$81, billion

SMALL BUSINESS JOBS ACT 2010

Small Business Subcontracting Prompt Payment Act

The Small Business Jobs Act of 2010 (Public Law 111-240) and the Small Business Administration's Final Rule at 78 FR 42391, Small Business Subcontracting, published July 16, 2013, requires that the prime contractor self report when the prime contractor makes late or reduced payments to subcontractors.

Executive Order: Minimum Wage for Federal Contractors

- On February 12, 2014, President Obama signed an Executive Order that requires the Federal contractors and subcontractors to increase of the hourly minimum wage to \$10.10. This increase shall become effective on January 1, 2015. The department of labor and the Federal Acquisition Regulation Council are to promulgate regulations to implement this Executive Order. The Executive Order may be viewed at:
- [http://www.whitehouse.gov/the-press-office/2014/02/12/executive-order-minimum-wage-contractors.](http://www.whitehouse.gov/the-press-office/2014/02/12/executive-order-minimum-wage-contractors)

DOE SUBCONTRACTING PROGRAM

DOE SUBCONTRACTING GOALS FY2013-2014

Consolidated Appropriations Act, 2014

Sec. 318. Section 15(g) of Public Law 85-536 (15 U.S.C. 644), as amended, is hereby further amended by inserting the following at the end: ``(3) First tier subcontracts that are awarded by Management and Operating contractors sponsored by the Department of Energy to small business concerns, small businesses concerns owned and controlled by service disabled veterans, qualified HUBZone small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and small business concerns owned and controlled by women, shall be considered toward the annually established agency and Government-wide goals for procurement contracts

Recommendations

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